App. F. IX-4

*Previous References* 1930-1. ( Nil )

**File No.** 171-30

**Serial Nos.** 1-2

*Later References*

PRESERVED

# General and Revenue Secretariat.

*Serial Nos.* Two

P. 30

**Part B for** Years.

SUBJECT.

Manufacture of Vegetable Ghee.

(53) 435

App. F. III—2]

General and Revenue Secretariat — File No. 171 of 1930

Serial No.

Gre 404-28 (491-7)

Extracts from the proceedings of the meeting of the Economic Conference held on the 23rd & 24th Oct 1930 Re the manufacture of Vegetable ghee.

Extracts from the proceedings of the meeting of the Eco: Conference held on the 23rd & 24th Oct 1930 in regard to the manufacture of Vegetable ghee are put up for being sent to the Ind: Com: Section for further action.

4388

28/11 Submitted for perusal & orders. The previous file on the subject is put up. The conclusion arrived at at the Econ. Conf^ce was as follows in the words of the Hon^ble " The Director may be requested to work out intricacies to send up a scheme, (for the manufacture of vegetable ghee) which might be taken up to get both his own recommendations in regard to the help which he expects at the hands of Govt for taking up this industry".

The Dir may kindly state action accordingly

2/12/30

Perused

Member

3/12/30

3/12/30

OFFICE OF THE THIRD MEMBER OF COUNCIL.
4 DEC. 1930
No. 2102

Note—Contn. Sheet

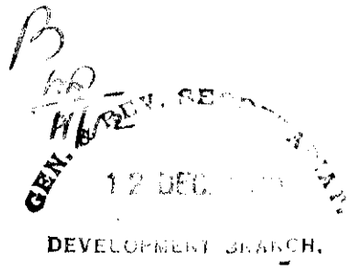
WD 02328—GPB—10,000—22-4-30

Draft mtd.
by DB
5/12 6/12

Stop
Mrs
f 1230

S.C.2 –
– To the Dir. of Prac.

For copying the Resolution in the minutes
and requesting him to take
action accordingly.



Jrc 171-30 1

D 4388 - 28.11.30

Extract from the Proceedings of the meeting of the Ceramic Conference held on the 23rd & 24th Oct 1930.

6.

Resolution No. 4.

MR. C. RANGANATHA RAO SAHIB:

Mr. President, Ladies and Gentlemen, I have been asked to move the following resolution:

"In view of the increased production of edible oil by the installation of a number of expellers in the State, it is desirable to take steps to encourage the manufacture of vegetable ghee".

Yesterday I had the good fortune of moving a resolution which met with the unanimous support of the members of this Conference. I trust that the resolution which I have just now moved will be equally supported for in my view, the subject of this resolution is almost as important as the resolution I moved yesterday. The importance of this subject can best be explained if we take a short survey of the development of the oil industry in the State. Some 10 years back, i.e., in 1928 the area under ground nut, the chief oil seed crop which I have in view in this resolution was about 48,000 acres. Last year the area under ground nut was nearly seven times the area in 1918-19. It was nearly 300,000 acres and the estimated output is over 100,000 tons. In 1915-16 there were not many oil expellers in the State. One was introduced in 1913-14 at the instance of the Department of Industries. Afterwards, owing to the energy and enterprise of our local industrialists, a number of these expellers have been established. At present, there are about 45 of these expellers crushing ground nut and castor seeds. A situation has at present reached when it is impossible to ~~extend~~ the development of this industry any more. It is not possible to transport the

the oil owing to the heavy railway freight and the market for the oil cake which was readily available outside has been seriously diminished owing to other reasons which it is not necessary to go into at present. It is absolutely necessary for further development to create new outlets for the seed that is grown in the State. More than half the ground-nut grown in the State is exported in the raw state, i.e., nearly a crore of rupees worth of this commodity goes outside the State. It is now not possible to advance any more in this direction. Also, unless we do advance, the situation is such that the progress already achieved will be retarded considerably and the result of this will be that the number of oil expellers in the State will have to be seriously curtailed. I have no doubt that the members of this Conference at least some of them are more competent to speak on this subject than myself. In view of these reasons, it is necessary to see what outlets can be found for the expansion of the oil industry. In the last few years, a very marked increase in the exports of vegetable ghee is observed in the Sea Borne Statistics published by the Government of India. The total exports into the ~~Government of~~ India comes to nearly 1½ crores of rupees, and the actual quantity is roughly 8,23,000 cwts. Very large quantities of this vegetable ghee are imported into all parts of India, chiefly the consumption is in Northern India because the people there use more ghee than we do. It is note-worthy

that this oil is mostly produced from groundnut which is grown chiefly in the Madras Presidency and also in the Mysore State. I have already explained that the area under groundnut is nearly seven times what it was 10 years ago. I trust it is now clear that unless some attempt is made to introduce the manufacture of vegetable ghee in the State, the development of the oil industry will come to a standstill and what I am afraid, will lag behind and some oil expellers will have to give up their business.

Rajakaryapravina
MR. P.C. D'SOUZA: You want the Government to start the industry?

MR. S. RAMAMATHI RAO SAHIB: I will explain. Yesterday I made an attempt to explain that Government will have to take some initiative in regard to the starting of industries and it was observed that it was difficult to select the which industry, apart I think the vegetable ghee industry is one of the most important oil industries in this State that should be encouraged by the Government. I believe the members of this Conference would be unanimous in saying that this is one of the industries that deserves the support of Government. This industry cannot be undertaken unless it is assisted in a large measure by Government both financially and by way of giving technical advice I do not want that this should be started as a Government industry. This must be primarily started chiefly by the people who are interested in the oil industry. But this is an industry which cannot be established unless a large measure of financial

Next para.

free
assistance and technical advice is furnished by Government. //It was observed yesterday that this was a highly technical industry, industry requiring high technical skill. It is not necessary for me to explain the details of manufacture. All that I may say is that this is manufactured by a chemical process involving the introduction of hydrogen in the vegetable oil. Hydrogen combines chemically with the unsaturated fatty acids in the oil. Larger proportions of fatty acids are formed resulting in solidified oils. The consistency of the oils depends chiefly upon the proportion of saturated oils. If a larger proportion is taken, the saturated oils become solidified instead of liquid This combination can be made with the help of a catalytic agent which facilitates the process without undergoing any change itself. This process has been under investigation for several years past and several processes ~~and plants~~ have been discovered so that a large number of ~~them~~ these are actually working in Europe. The Department of Industries last year submitted a report to the Government that some experiments might be conducted in the Indian Institute of Science where a small ~~plant~~ plant was erected. Unfortunately there was some delay in the passing of orders and Dr. Watson who wanted to carry on these experiments went on leave and ~~afterwards~~, I was asked to carry on the experiments after his return. There are two vegetable oil plants one in Lylpoor where rape seed oil is solidified. Another plant in Bombay is used for the manufacture of vegetable ghee from ground nut oil. This plant was installed in Bombay only six weeks ago. The manufacturers who were instrumental in

erecting this plant saw me a few days back and have promised to send complete details about working expenses etc. I may also state we have been in communication with a very important firm in Germany who ~~have~~ installed in Bombay an improved hydrogenating plant. (Borgee ???) I asked the German Consul in Mysore the other day whether he knew anything about the firm. I learnt that this Company ~~is~~ was something like the Tatas in India and/we ~~can~~/perfectly trust what that could they say. They have huge laboratories.

MR. PRESIDENT. So, it is the german firm that has started business in Bombay.

MR. C. RANGANATH RAO SAHIB, Director of Industries and Commerce: It is an English form which has obtained German machinery. The plant will manufacture about 5 tons of ghee per day and the total cost of the machinery is about Rs. 2 lakhs. This is an industry which could not be thought of unless Rs. 10 lakhs ~~could be put down~~ is forthcoming. It is therefore clear that at present it is impossible to expect the general public to subscribe 10 lakhs for starting this industry which is highly technical. Of course there is a market for this industry. But it requires a great deal of supervision and consideration ~~of course~~. Within the next few days I am afraid an important joint stock concern will start work so that the starting of any more joint stock concerns will be retarded unless Government take this matter up and help this new industry.

In this connection, I beg to suggest that 2/3rds of the cost of the plant and building may be promised by Government as well as technical advice, if a suitable company or syndicate is formed for the ~~establishment~~

installation of this plant. Why I urge this upon the consideration of this Conference is that Mysore enjoys very special facilities for the establishment of a hydrogenating plant. The success of this plant depends upon the manufacture of pure hydrogen because this can be manufactured by the electrolitic process. It is possible to obtain electrical energy cheaply during nights, for instance, in Bangalore, for the manufacture of hydrogen at a nominal cost. If that is so, it is obvious that we in Mysore enjoy special facilities for the establishment of this plant. Again, we have got enormous raw materials at our doors. We have got nearly 100,000 tons of groundnut growing in the State and still larger quantities in the neighbouring Madras Presidency.

I might perhaps give an indication of the prices of vegetable ghee at present and the cost of manufacture and raw material. It is impossible to find out what the cost of manufacturing it in India can be, but we have got data as to the cost of manufacture in Europe. The cost of manufacturing 100 kilogrammes of vegetable oil comes to 5 shilling That is, the cost of manufacturing two tins of this ghee is about Rs. 3-14-0 or Rs. 1-15-0 a tin. The cost of the oil according to the present rates of ground nut oil is Rs. 10 and if we take the rates prevailing last year, it will be Rs. 13, so that for Rs. 15 we should manufacture one case of vegeta ghee. Vegetable ghee is now sold in the Bazaar at Rs. 30 and th price of ghee imported is about Rs. 23. There is thus enormous difference between the cost of production in Europe and here. But I do not mean to say for a moment that we will be able to manufactu vegetable ghee at the cost at which it is manufact in Europe. Comparing the cost of manufacture in

Europe, I do say that with the facilities we have in the State, we ought to be able to manufacture it at a reasonable price. We ought not to be deterred by the fear that the operation involves highly technical process and that we are not competent to carry on the industry. This view of inferiority complex should be got rid of. I may say that Bhadravati Works were staffed by foreign experts when I was there. I was associated with the Works at a critical period for it was then that the change was made from the hands of foreign experts to the hands of the Indians. I might say that within a few years the entire foreign staff was displaced. We are manufacturing all the products at prices much cheaper than what was being done before and with better efficiency. Apart from that, I may also point out that in the Industries Department we manufacture soaps which are satisfying the very fastidious specifications that are now prescribed, and we have not been able to meet the demand. Our Chemical Engineers are quite competent to tackle this problem. In view of the importance of this industry and the possible prospects that this affords for new employment to our young men, I humbly beg to suggest that this Conference may recommend to Government that a part of the cost of the machinery and building may be loaned to a syndicate provided a suitably qualified and well-equipped syndicate which is in touch with the present vegetable oil industry is forthcoming. I commend this resolution to the sympathetic consideration of this Conference.

MR. RAMACHANDRA RAO SINDIA: In seconding this resolution, I thank the Director of Industries and Commerce for having brought up this question. In fact I had much to do with this question and we had a number of experiments conducted in the Indian Institute of Science with the help of the professors there and we have succeeded in getting very good vegetable ghee out of the ground nut oil which is produced locally. I do not think there is any technical difficulty in preparing this commodity. The Director was telling that 16,000 tons were being imported into India. I think the imports come up to 45,000 tons. I am not aware if any plant for manufacturing vegetable ghee has been installed in India.

This question is as important as any other economic question of the day. With the assistance of the Government I am sure this concern will work satisfactorily. There was a move among some of the concerns to start this concern, but trade depression and financial stringency have kept them back from undertaking this concern. Therefore, if Government come to their aid, I believe a small syndicate might be formed and the concern started.

MR. S.G. SASTRY: I would like to be forgiven if I take two minutes of the time of this House by giving a short story in connection with this particular matter. There was a small boy who wanted to cross over a brook. He wanted to get to the opposite shore without getting his shoes wet. Water was always running and he was never able to cross the brook. An old gentleman asked him why he was waiting there. He said that he was waiting for the water to run out, so that he could reach the opposite shore ~~without~~ absolutely dry. The oil mill owners of the State are in the position of this little lad. In their prosperous days, they never took the trouble to cross over the difficulties. ~~[illegible]~~ Now there is a certain amount of depression. If the Industry is worth a crore or rupees, they ought to come forward with at least a portion of the money and start this industry. They have been talking about this particular industry for the last 10 or 12 years and laboratary experiments have been completed. There is no use wasting any more time in doing laboratory experiments. Plants with guaranteed output can be had from Germany ~~in the market.~~ The question to be decided is about the capacity of the plant that we should have.

If we start this industry, we have advantages as well as disadvantages. Take for instance the manufacturer of the West. He does not grow oil seeds. He will have therefore to pay freight. So far as India is concerned, ~~he~~ will have to pay freight on these 22,000 tons of material also. These are the two disadvantages. As against this, he manufactures his own plant and machinery.

What is the justification of expenditure. We learnt there is that taking all this into Consideration, this mill 45,000 tons as stated by Mr. Ramachandra Rao Sastri but 22,000 tons and

He has got his own bankers to help him and he can operate on a mass production scale which we cannot conceive of. These are some of his advantages.

On our side, the disadvantage is that we have to import costly plant.. However much we might negotiate, we pay higher rates.than the manufacturers in the western countries. Secondly we cannot owing to the restricted conditions in India operate on the same mass production scale as in the western countries. Necessarily, our cost of production will be higher. As against these two disadvantages, we have some advantages also. We have oil seeds at our own doors. The market is in India. The only thing that we have to do is therefore to make up our minds and start the business.

The oil that is solidified through the hydrogenating process is in itself not going to be vegetable ghee. It will have to be blended with other vegetable products and made an emulsion. Then only this can be placed on the market. So far as coccoagem is concerned, it is purified coccoanut oil and nothing more. It is not vegeta ble oil.

Another point. Ten or 12 years ago, the Tatas tried to manufacture vegetable ghee at Ernaculam, but they had some difficulty during the hydrogenation process. During that process, we get a very clean and practically [illegible] inodourous gas. But we cannot allow this to escape in the large scale production. If you go on using this hydrogen, the final product gets what is called the hydrogenation flavour. The Tatas were

unable to get over this, but this can be solved by our experts.

The chief countries that are exporting vegetable ghee are Holland and Belgium and England is coming into this market on a very tremendous scale. Recently they have combined with the Lloyd Brothers under the name of ..... and they have got a capital of £ 20,000,000 and they are making arrangements to open branch factories in India. We have to fight with this Competition if we start this industry.

There is still another thing which we should seriously consider. It is not sufficient to erect the hydrogenation plant. But side by side with it there must be the butter making plant. We must have an equipment to manufacture containers. If we are not going to market these articles in 4 to 8ozs. tins you cannot market them easily. We must have an equipment for the manufacture of these tin containers. These are some of the facts which I would like to place before the members of this Conference. This is a matter in which the oil expellers should combine and Government should on their side give technical advice and sympathy by substantial contributions on the financial side. This is one of the industries which is long due and I seriously hope the Department of Industries and Commerce will be given a chance to develop it.

MR. B.K. GARUDACHAR: I was afraid some of the members of this House would oppose this resolution. Fortunately, Mr. S.G. Sastry has explained why the Tatas failed. There is not much to gain by mere arguments at this stage. Unless some factory on the lines suggested by the Director of Industries and Commerce is started immediately, we are afraid that we may lost a great part of our trade. Mr. Sastry just now said that certain firms have monopolised this trade. I may go a little further and say that they have monopolised even the seed. They have controlled the market in such a way that every one purchases for them. Although the markets are commandeered here, Rally and Volkart Brothers are controlling the whole world. The only advantage we may have is that we grow a lot of ground nut in our own State. We have not to pay much by way of freight. The only disadvantage is that we have to fight the competition. To protect ourselves, the imposition of some tariff should also be considered. This must be done in the interests of the country. This is a concern in which the Government can go ahead and start the industry.

MR. S.G. SASTRY: This question was discussed in the Council of State in February 1927. They brought up a resolution saying that imported vegetable ghee should be controlled by one of three ways (a) prohibiting imported ghee altogether, or (b) imposing heavy duty on imports, and if in spite of it the imports continue (c) to colour the ghee so that the ordinary ryot might spot it out. The whole question was discussed and a unanimous resolution was adopted that this question should receive the attention of the Local Governments and the Government has been referred to them. They would have taken up this question but for the political situation in the country.

MR. B.K. CARUDACHAR: They wanted these things due to the Adulteration Act. Even some of the municipalities and local Governments wanted to prevent adulteration, with the help of this Act.

DEWAN PRESIDENT: It is not the intention of the Director that this concern should be started by the Government as a Government concern?

No.

DIRECTOR OF IND. AND COM: /Some facilities should be given by the Government if a proper syndicate should come forward for the establishment of a plant. Government have on previous occasions announced certain concessions [illegible] and similar concessions should be announced in this case also to enable people to form themselves into a syndicate and come forward with their quota. I think the conference might recommend to Government that definite concessions might be announced by the Government if a suitable syndicate should come forward in time.

DEWAN PRESIDENT: So it is not a problem for investigation now?

DIRECTOR OF IND. AND COM: No. It has been done. As I submitted just now, the plants are at work in Bombay. They are prepared to set up the machinery and send experts to work it. I do not think it is necessary now to spend any more money on investigation or experiment. I think it is desirable in the interests of the [illegible] oil industry that it should be encouraged.

Rajakaryapravina P.G. D'SOUZA: But why should not the oil merchants come to the Government with definite proposals?

DIRECTOR OF IND. AND COM. Let Government announce the concessions. For instance, in the case of the Mysore Pharmaceuticals, we have given certain

concessions. In this particular case, I expect that if Government announce their intention of giving certain concessions and definitely say that they are prepared to give technical advice, a syndicate will be formed. The application from the syndicate may be treated as a hire purchase loan application except for the fact that it is a large application for the grant of two-thirds of the cost of the machinery and buildings which would be about 8 lakhs of rupees and also technical advice for one year. And these things will beat the ordinary rate of interest. It need not be a concession, but a hire purchase loan application and in view of the fact that that amount is large, some concession may be announced.

Rajakaryapravina P.G. D'SOUZA: You do not propose the Government to take any shares in this concern?

DIRECTOR OF IND. & COM: No. Government may give a loan of about 8 lakhs of rupees being two-thirds of the cost of machinery and buildings.

Rajakaryapravina P.G. D'SOUZA: You are confident that people would come forward?

DIRECTOR OF IND. & COM: Yes, because it is in the interest of the existing industry that they should come forward.

MR. S.P. RAJAGOPALACHARI: But most of them are silent here!

DIRECTOR OF IND. & COM: I am sorry. They are not silent. Some of the big oil merchants are not here. For instance, Mr. Devendrappa of Davangere who is the largest oil expeller in the Mysore State is not represented here.

*Rajakaryaprayina P.G. D'SOUZA:* Let the merchants make a move in this direction and come forward with definite suggestions. Then we will consider.

*MR. C.R. RANGANATHA RAO SAHIB, Dir. of Ind. and Com:* No more concessions need be given than what has already been given. If an announcement is made that a portion of the value of the plant and buildings would be given, we would not be going behind our rules. It is necessary that the private syndicate should be assured of concessions. At the present crisis it is not right for us to expect the local industrialists to spend money. It means all these people have to meet together and discuss propositions. This also means waste of time and money. After all the amount that the Government is required to lay out is the cost of technical advice and the other thing is only the cost of the plant and the buildings which might be given as a loan

*DEWAN PRESIDENT:* The opinion that Sir Alfred Chatterton gave was that the concern could not be managed for less than 30 to 40 lakhs.

*DIRECTOR OF IND. AND COM:* His opinion which is based on Margin Union is entirely out of date. I may assure that the capital required would not be more than 10 lakhs of rupees. The entire plant will cost C.I.F. Madras £.13,496 or roughly Rs. 1,80,000.

???

DIRECTOR OF IND & COM: His information is from

??? Mordi Union. But we have got more accurate information. The plant will not cost more than Rs. 10 lakhs.

Rajakaryapravina P.G. D'SOUZA: What is the capacity of the plant?

DIRECTOR OF IND. & COM: 5 tons per day or 1,500 tons per annum. 16,000 tons is the actual import this year. There is a slight decrease this year due to political activities from April to July 1980.

Rajakaryapravina P.G. D'SOUZA: The correct procedure seems to be that the merchants should come forward and ask the Government.

MR. D.K. CHANDRASEKHARAIYA: The Economic Conference has to make a recommendation.

Rajakaryapravina P.G. D'SOUZA: What specific recommendation is the Conference going to make? Government will be prepared to consider any specific proposition placed before them. We have to know what the commitment is.

DIRECTOR OF IND. & COM: I have given all the facts about the industry. If the Government make an announcement that the proposition would be sympathetically considered, it would quite do.

MR. S.P. RAJAGOPALACHARI: I am sorry I cannot support the proposition of the Director of Ind. and Com. in the same way as I supported his proposition of last evening for this simple reason. He is very convincing about the manufacturing side. There are ready made plants which can guarantee to produce certain quantities of ~~the~~ vegetable ghee. So also there are ready made plants for cotton, iron and every other kind of thing. The real difficulty is on the commercial side. On that, naturally, he could not give us as many guarantees on ~~guarantees~~ the manufacturing side. I think, if he will forgive me if I use the expression, he is putting the cart before the horse so far as the request for the declaration on the Government as to the concessions which they are prepared to offer in regard to the starting of this vegetable ghee industry. The real difficulty is on the commercial side and on that side people ~~manufacturers~~ who take risks are the people who are engaged in the oil business. They should discuss the matter ~~matter~~ not merely on the manufacturing side, but on the business side as well. If they get the plant and the buildings according to their specifications, can they make a profit? Have they gone into that question? If prices continue to fall, can they continue to make their profits? We have not heard from the men engaged in the business on this aspect of the question. Are they prepared to give us an assurance that under the circumstances which we are now passing, the business will pay? If they are satisfied that the business will pay

and if they come forward with certain proposals

specifying the kind of help which they require from the Government, then, I think that will be the proper time for the Conference to discuss the matter fully. We are now in the dark. At present we ought to know If the scheme succeeds, it will succeed. But the question is whether it will succeed under the present circumstances. That is what I mean when I say, that Businessmen are silent on the commercial side. If they give us some assurance about the details of the scheme, that the business will pay and that they have got a regular scheme and if they specify the concessions which they require from Government, then, I think, the Government can go into the matter at that stage.

DIRECTOR OF IND. & Com: With your permission, I will just say a few words on the commercial side. If my friend had listened to me, I daresay he would not have asked for these details. I gave a very limited view of the market for this commodity. As I said before 16,000 tons of ghee were imported in 1929-30. In 1927-28, 444,000 cwts of ghee ~~xxxxxxxxxxx~~ at a total cost of Rs. 1,92,00,000, in 1928-29 Rs. 177 lakhs and in 1929-30, Rs. 120 lakhs worth of ghee was imported into India. This ghee is consumed as follows:—

| | |
|---|---|
| Bombay. | Rs. 48,00,000 |
| Sind. | Rs. 55,00,000 |
| Bombay. | Rs. 55,00,000 |
| Madras. | Rs. 20,00,000. |

DEWAN PRESIDENT: There is not much local demand for it !

DIRECTOR OF IND. & COM: There was a demand of about 3000 cases every month in Bangalore. At present, the imports have decreased owing

to political conditions. The price of this ghee ranges from Rs. 30 to Rs. 30-8-0 per case of 2 tins. Invoice price is Rs. 27, That is 80 lbs. of vegetable ghee is actually imported into India at a cost of Rs. 27 and the quantity of oil that is used to manufacture this quantity of ghee now costs Rs. 10. Last year it was Rs.18. The actual cost of manufacture of this ghee in Europe is Rs. 2.

DEWAN PRESIDENT: If it is such a paying proposition, private enterprise is very often a source of investment.

DIRECTOR OF IND. & COM: That fact is that this is a new industry and it requires a large amount of capital as well as high technical skill. This has hitherto not succeeded in India. One or two half-hearted attempts were made when the technical process was not perfect. Some years ago catalytic poisons were found after the catalytic process. But that difficulty has now been overcome. Science has advanced a great deal within the last 10 years and the defects which were unsurmountable then have been overcome now. That is the reason why we cannot expect the local experts to establish the industry with a capital of 10 lakhs to carry on the manufacturing operations involving high technical skill.

Rajakaryapravina P.G. D'SOUZA: What is the capital invested on Anderson Oil Expellers?

DIRECTOR OF IND. & COM: One Anderson Expeller requires Rs. 80,000. Besides that, there is an enormous amount of working capital required.

Rajakaryapravina P.G. D'SOUZA: For people who have invested so much on these expellers, what is the difficulty in installing the vegetable ghee plant and manufacture ghee which has got a market all over India?

DIRECTOR OF IND. & COM: Here they have got to manufacture a product which requires high technical skill.

Rajakaryapravina P.G. D'Souza: You want that the vegetable ghee should be manufactured. But at present there is great difficulty in selling oil cakes.

DIRECTOR OF IND. & COM: The position of the industry is such that unless we find new methods of disposing of the produce and spend more money also, there is no use venturing.

Rajakaryapravina P.G. D'SOUZA: But if the people are satisfied that they can find a market for this article, why not they venture?

DIRECTOR OF IND. & COM: I have felt that it is the duty of the Government to give people technical advice.

Rajakaryapravina P.G. D'SOUZA: But they have not come forward with any definite proposal.

DIRECTOR OF IND. & COM: Oh yes. They have. The proposition has been before the House for the last one year. I have submitted a report to Government about carrying on experiments at the Indian Institute of SCIENCE. An industrialist at Davangere came forward to give oil free for purposes of experiment. He said that he had no spare cash to invest in the enterprise. I submitted to Government a year ago about these things. Now all the industrialists interested in this industry are quite anxious to come forward. I only want the Conference to submit this resolution to Government.

Rajakaryapravina P.G. D'SOUZA: You said that the total capital required was 10 lakhs. and what is the amount which the Government should provide?

DIRECTOR OF IND. AND COM: At present Government might give two-thirds of the cost of plant and buildings, i.e., 3 lakhs and free technical advice.

DEWAN PRESIDENT: Why not we request the industrialists interested in the enterprise to send us a scheme? Let us have something definite to go upon.

DIRECTOR OF IND. & COM: If they are assured of the sympathy of Government.....

DEWAN PRESIDENT: Of course, that will be assured. So we shall await a well considered scheme.

MR. RAMACHANDRA RAO SINDIA: I request that a small Committee might be appointed for the purpose.

DEWAN PRESIDENT No. Not necessary.

MR. D.V. CHANDRASEKHARAIYA: Why not a recommendation be made from the Economic Conference to the Government? This is not a Conference of only business men. There are many businessmen even outside and they might be really anxious to take up this industry.

DEWAN PRESIDENT: All that we can say is that it is desirable to study this with a view to promote the industry.

MR. D.V. CHANDRASEKHARAIYA: It is true. But are we prevented from passing a resolution requesting the Government that they might intimate the Director of Industries and Commerce to call for a meeting of businessmen, at least to go to such places where industrialists can be found and take their opinion in the matter, whether they are really willing to take up this industry and if so to what extent they will be willing to finance and what assistance they require from Government. So, the initiative may be taken by the Government themselves through the Director of Industries and Commerce. So far as the Conference is concerned, they might treat this as an important industry which might be investigated further. We may send up the resolution to Government through the Conference.

Rajakaryapravina P.G. D'SOUZA: There is nothing to prevent the Director from doing it.

MR. D.V. CHANDRASEKHARAIYA: That opinion of the Director will be further strengthened.

DEWAN PRESIDENT: The Director may be requested

to ask the industrialists to send up a scheme which might be sent up to Government with his own recommendations in regard to the help which they expect at the hands of the Government for taking up this industry.

MR. D.H. CHANDRASEKHARAIYA: That may be done. And I should like to say one more thing. The Hon'ble the Third Member of Council is, I presume, speaking on this subject here as though he is a Member of the Government. True. He is a Member of the Government. But he is also a Member of the Conference. He must consider the subject now as a Member of the Conference. And when it comes to Government, then he might put forward his own objections. He might then either accept the scheme or reject it altogether.

Appendix F G—1

SUBJECT.....

.....

.....

Section Src

File No. 171-30.

Serial No. 2

No. 96040

*Diary No. of letter replied to*.....

General and Revenue Secretariat

( )

*the* *193*

To

The Dir. Src

Date of issue 10.12.30.

Manufacture of Vegetable Ghee

Signed by M. M. Rao

Sir, With reference to your correspondence resulting from Memo No D. 2028/27-28 dated the 27th Sept 29 on the subject of the manufacture of Vegetable Ghee I am directed to invite your attention to the ~~marginally noted~~ conclusion (attached in the margin) arrived at at the meeting of the Economic Conference held on 23rd and 24th Nov. 1930, and to request you kindly to take action accordingly in the matter.

I have etc

M. M. Rao
6.12.30

for Secretary

The Dir. Src. may be requested to ask the Administrators to send up a scheme for the manufacture of Vegetable Ghee which may be sent up to Govt with his own recommendations in regard to the help which they expect at the hands of Govt for taking up the industry."

List of enclosures.....

Copied by.....

Examined by.....

Ks
Sir

[over